|  |  |
| --- | --- |
| Age | % depreciation |
| Less than 2yr | 20% |
| More than 2yr less than 4yr | 40% |
| More than 4yr less than 6yr | 50% |
| More than 6yr | 60% |

If value of car is 800,000Rs

Then after 2 years its value will be decreased by 20% of its original value

So the car will still hold 80% of its original value

800,000 \* 80/100 = 640,000

But now in this dataset we have selling price and we need to find its original price

So

X\*80/100 = 640,000

X = 640,000 \*100/80 ……………………………..(100/80 = 1.25)

|  |  |
| --- | --- |
| Age | Reduction factor |
| Less than 2yr | 1.25 |
| More than 2yr less than 4yr | 1.66 |
| More than 4yr less than 6yr | 2 |
| More than 6yr | 2.5 |